



Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, DECEMBER 8, 1993

AT
(202) 616-2771

**JUSTICE DEPARTMENT APPROVES PROPOSAL TO MAKE
CALIFORNIA'S CHIROPRACTIC SERVICES MORE AVAILABLE**

WASHINGTON, D.C. -- The Department of Justice's Antitrust Division has approved a proposal by the California Chiropractic Association (CCA) that may reduce costs to the public and permit association members to offer chiropractic services at lower rates.

The proposal would allow CCA to form a statewide chiropractic managed care organization (MCO) that would contract with third party payers at a capitated, or per subscriber, rate.

Assistant Attorney General Anne K. Bingaman, in charge of the Antitrust Division, said the proposed conduct would allow third-party payers to enter into a single statewide contract for chiropractic services through the MCO. In the past, third-party payers have been reluctant to enter into capitated contracts with chiropractors because of the cost of negotiating such contracts in numerous small markets.

The Department's position was stated in a business review letter from Bingaman to counsel for CCA.

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Bingaman stated that the MCO is not likely to be anticompetitive because any attempt by the participating chiropractors to exercise market power would be defeated by the variety of competing alternatives available to payers.

Under the Department's business review procedure, an organization may submit a proposed action to the Antitrust Division and receive a statement as to whether the Division will challenge the action under the antitrust laws.

A file containing the business review request and the Department's response may be examined in the Legal Procedure Unit of the Antitrust Division, Room 3235, Department of Justice, Washington, D.C. 20530. After a 30-day waiting period, the documents supporting the business review will be added to the file.

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